

Message Text

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ACTION EUR-12

INFO OCT-01 ARA-06 EA-07 ISO-00 AID-05 CIAE-00 COME-00
EB-07 FRB-03 INR-07 NSAE-00 USIA-06 TRSE-00
XMB-02 OPIC-03 SP-02 LAB-04 EPG-02 SIL-01 OMB-01
EPA-01 DODE-00 PA-01 PRS-01 OES-07 /079 W
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R 181655Z MAY 77
FM AMEMBASSY MOSCOW
TO SECSTATE WASHDC 7560
INFO AMEMBASSY BANGKOK
AMEMBASSY BELGRADE
AMEMBASSY BERLIN
USMISSION BERLIN
AMEMBASSY BUCHAREST
AMEMBASSY BUDAPEST
AMEMBASSY GEORGETOWN
USMISSION NATO
AMEMBASSY PRAGUE
AMEMBASSY SOFIA
AMEMBASSY VIETIANE
AMEMBASSY WARSAW

C O N F I D E N T I A L MOSCOW 6940

E.O. 11652: GDS
TAGS: ECIN, COMECON
SUBJECT: DISCUSSION WITH OFFICIALS OF CEMA SECRETARIAT

REF: MOSCOW 5489

SUMMARY: EMBOFF REVIEWED WITH OFFICIALS OF CEMA SECRETARIAT
MOST RECENT EXECUTIVE COMMITTEE MEETING (REFTEL). ACCORDING
TO OFFICIALS:

--COORDINATED WORK ON NUMERICALLY-CONTROLLED MACHINE TOOLS
HAS PROCEEDED TO POINT WHERE CEMA COUNTRIES WILL BE DISPLAYING
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FRUITS OF THIS SPECIALIZATION PROGRAM AT 1978 BRNO FAIR;
--TRADE IN CONSUMER GOODS BETWEEN CEMA MINISTRIES OF INTERNAL
TRADE WILL BE BROADENED AND SHOULD AMOUNT TO HUNDREDS OF
MILLIONS OF TRANSFERABLE RUBLES (TR'S);

--CEMA FIRM ESTABLISHED TO PURSUE WATER POLLUTION CONTROLS
WAS PUT UNDER BULGARIAN MANAGEMENT ON BULGARIAN REQUEST.

NO MANAGER, ON WHOM MUCH WILL DEPEND, HAS YET BEEN NOMINATED.

--VIETNAM, AS WELL AS LAOS AND ANGOLA, IS CURRENTLY EXPLORING WAYS IN WHICH IT CAN MOST PROFITABLY COOPERATE WITH CEMA, BUT MEMBERSHIP SEEMS TO LIE FAR IN THE FUTURE;

--GUYANA HAS NOT MADE FORMAL APPLICATION FOR COOPERATION AGREEMENT WITH CEMA, BUT IS ASKING DEVELOPMENT AID.

--NEXT COUNCIL SESSION IN WARSAW WILL BE IN SECOND HALF OF JUNE. END SUMMARY.

1. EMBASSY OFFICER CALLED ON CEMA SECRETARIAT OFFICIALS ON MAY 13 TO DISCUSS SUBJECTS TOUCHED ON IN COMMUNIQUE OF MOST RECENT CEMA EXECUTIVE COMMITTEE MEETING (REFTEL).

2. WITH REGARD TO COORDINATION IN AREA OF NUMERICALLY-CONTROLLED MACHINE TOOLS, L.I. LUKIN OF FOREIGN RELATIONS DEPARTMENT STATED THAT CEMA DEVELOPMENT OF SUCH MACHINERY HAD BECOME NECESSARY BECAUSE OF WESTERN EXPORT CONTROLS WHICH DENIED CEMA COUNTRIES ACCESS TO WESTERN NC MACHINERY. AGREEMENT ON SPECIALIZATION WITHIN CEMA IN THIS AREA HAD ALREADY BEEN REACHED IN 1971 AND LUKIN CLAIMED THAT CEMA COUNTRIES WILL BE DISPLAYING FRUITS OF THIS COOPERATION AT 1978 BRNO FAIR.

3. LUKIN CLARIFIED COMMUNIQUE'S PUZZLING REFERENCE TO EXCHANGE OF CONSUMER GOODS THROUGH INTERNAL TRADE. CONFIDENTIAL

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CONFERENCES OF MINISTERS OF INTERNAL TRADE HAD WORKED OUT FRAMEWORK AND METHODS BY WHICH SUCH MINISTRIES COULD DIRECTLY TRADE CONSUMER GOODS WITH ONE ANOTHER WITHOUT PASSING THROUGH FOREIGN TRADE ORGANIZATIONS. LUKIN CLAIMED THAT SUCH TRADE WOULD BE IN HUNDREDS OF MILLIONS OF RUBLES ANNUALLY. IN SOME WAYS IT RESEMBLES BORDER TRADE SUCH AS THAT CARRIED OUT BY LENFINTORG, BUT IT IS NOT LIMITED TO BORDER AREAS, AND WILL BE FIXED IN ANNUAL PLANS AGREED BETWEEN MINISTRIES OF INTERNAL TRADE. ACCORDING TO LUKIN, IT WILL BE POSSIBLE IN USSR FOR MINISTRIES OF INTERNAL TRADE IN UNION-REPUBLICS TO ENTER DIRECTLY INTO SUCH TRADE.

4. ACCORDING TO LUKIN "INTERVODOOCHESTKA", A FIRM TO PROMOTE CEMA COORDINATION ON WATER POLLUTION MATTERS, IS TO BE LOCATED IN BULGARIA AND MANAGED BY BULGARIANS ONLY DUE TO BULGARIAN REQUEST AND DOES NOT CONFER A SPECIAL STATUS FOR BULGARIA IN RESEARCH IN THIS AREA. IDEA GREW OUT OF CONFERENCE OF HEADS OF WATER CONSERVATION BODIES OF MEMBER STATES. "INTERVODOOCHESTKA," WHICH IS NOT YET

IN OPERATION, IS FINANCED BY INDIVIDUAL STATES, NOT BE
CEMA. MUCH WILL DEPEND ON PERSON TO BE SELECTED AS
MANAGER.

5. IN DISCUSSING RELATIONS BETWEEN CEMA AND VIETNAM,
WHICH HAS APPLIED FOR MEMBERSHIP IN IBEC AND IIB, LUKIN
STRESSED THAT VIETNAM, LAOS AND ANGOLA ARE NOW LOOKING
INTO WAYS IN WHICH THEY CAN INCREASE THEIR COOPERATION
WITH CEMA, BUT THAT THIS NEED NOT LEAD TO MEMBERSHIP IN
CEMA NOR NECESSARILY A COOPERATION AGREEMENT SUCH AS
EXISTS WITH MEXICO AND IRAQ. HE REMINDED EMBOFF THAT
MONGOLIA HAD COOPERATIVE RELATIONSHIP WITH CEMA FOR SIX
YEARS BEFORE BECOMING A MEMBER AND CUBA FOR 10 YEARS.

6. LUKIN DENIED THAT GUYANA HAD FORMALLY APPLIED TO
CEMA FOR A COOPERATION AGREEMENT, SAYING IT HAD ONLY
EXPRESSED INTEREST IN INCREASED ECONOMIC COOPERATION WITH
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CEMA COUNTRIES. HE FURTHER HINTED THAT SO FAR GUYANA HAD BEEN
SEEKING SUCH COOPERATION IN FORM OF DEVELOPMENT
AID. WHEN ASKED IF AN AGREEMENT BETWEEN GUYANA AND CEMA
COULD BE EXPECTED IN NEAR FUTURE, HE REPLIED THAT NEGOTIATIONS
WITH MEXICO HAD TAKEN A YEAR AND FURTHERMORE THAT
ALTHOUGH ARGENTINA HAD ALSO EXPRESSED INTEREST IN COOPERATION
WITH CEMA IN 1973, NOTHING HAD EVER COME OF IT.
(COMMENT: WE UNDERSTAND THAT THE SAME IS TRUE FOR COLOMBIA.)

7. LUKIN SAID NEXT COUNCIL SESSION, SCHEDULED FOR WARSAW,
WOULD BE "SOMETIME IN THE SECOND HALF OF JUNE."
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